

Maximizing Your Sustainer Revenue through Better Back End Processing

Lauren Levine, Oxfam America

Sue Mulvany, Vantiv

Jason Robbins, ROI Solutions



What's in your wallet?



Oxfam America: A Model for Strategic Growth

AUGUST 2-3 | New York Hilton Midtown | New York, NY | #NYNP2016



2016 New York
Nonprofit Conference

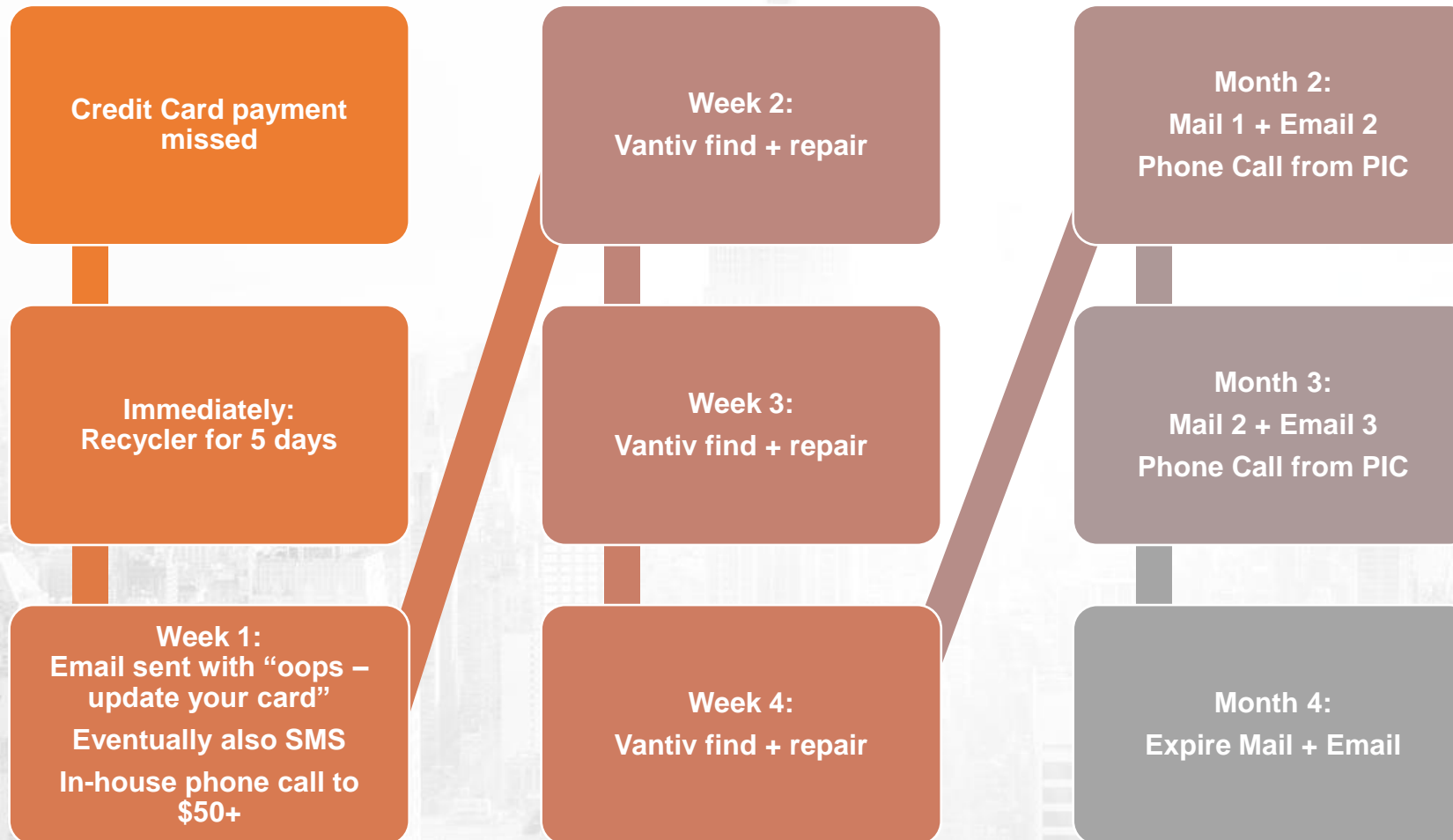


**GET GRITTY. GET GOING.
GET GREAT!**

5 Stages of the Sustainer Lifecycle



Credit Card Sustainers – Lapsed Strategy



Payment Method 2015

Payment Type	% of Sustainers	% Change 2011 to 2015	Average Gift	13 Month Retention	% Change 2011 to 2015
Check	7%	-22%	\$39	50%	-15%
Credit Card	66.6%	+25%	\$28	61.2%	+23%
EFT	26.4%	+12.3	\$32	84.5%	+14%

Understanding Credit Card Processing Costs

AUGUST 2-3 | New York Hilton Midtown | New York, NY | #NYNP2016



2016 New York
Nonprofit Conference

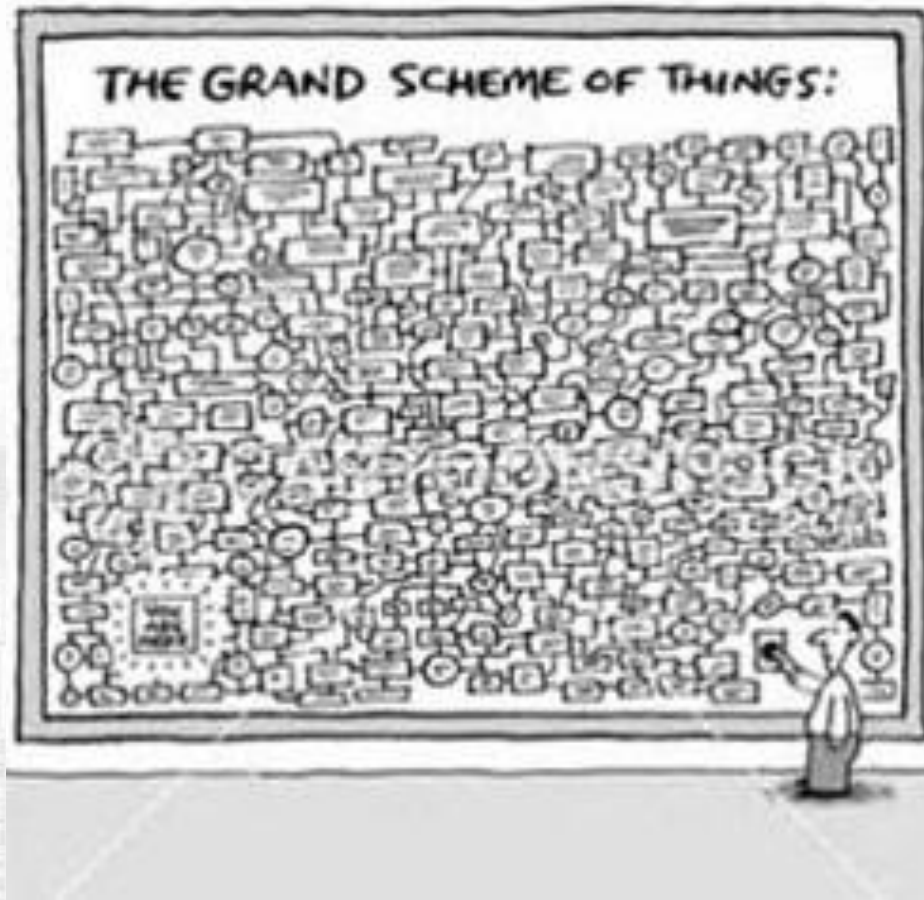


GET GRITTY. GET GOING.
GET GREAT!

Understanding your Sustainer Credit Card Ecosystem: The Simple Version



Understanding your Sustainer Credit Card Ecosystem: The Reality for Many



Oxfam's Sustainer Credit Card Ecosystem



Credit Card Processor – Fee Structure

- Maintaining cardholder information/tokens and scheduling
- Fee Per Transaction Model (\$0.08 to \$0.41)
- One Time Integration Model
- Sometimes volume-driven

Merchant Services - Fee Structure

- Card Mix (Visa – 60%, MC – 20%, Amex – 15%, Discover – 5%)
- Variable Interchange Rates by Card
 - MC and VISA Published Rates – 1.35% + \$0.10 charity rate
- Variable Merchant Services Mark-up – per transaction and % of gift
- Volume Driven – Always negotiable!
- Other Costs

Calculating your All-in Cost

- What does it truly cost your organization to process a monthly gift?
- We have seen from 3.5% to as high as 6.5%
- 25,000 recurring donors at \$28 avg change 1% = \$84,000 per year
- One real life example

Maximizing your Credit Card Revenue

Revenue Recovery

Why Are We Losing Card Based Donation Revenue??

➤ Failed Credit Card Attempts with a typical Nonprofit Organization: 3%-12%

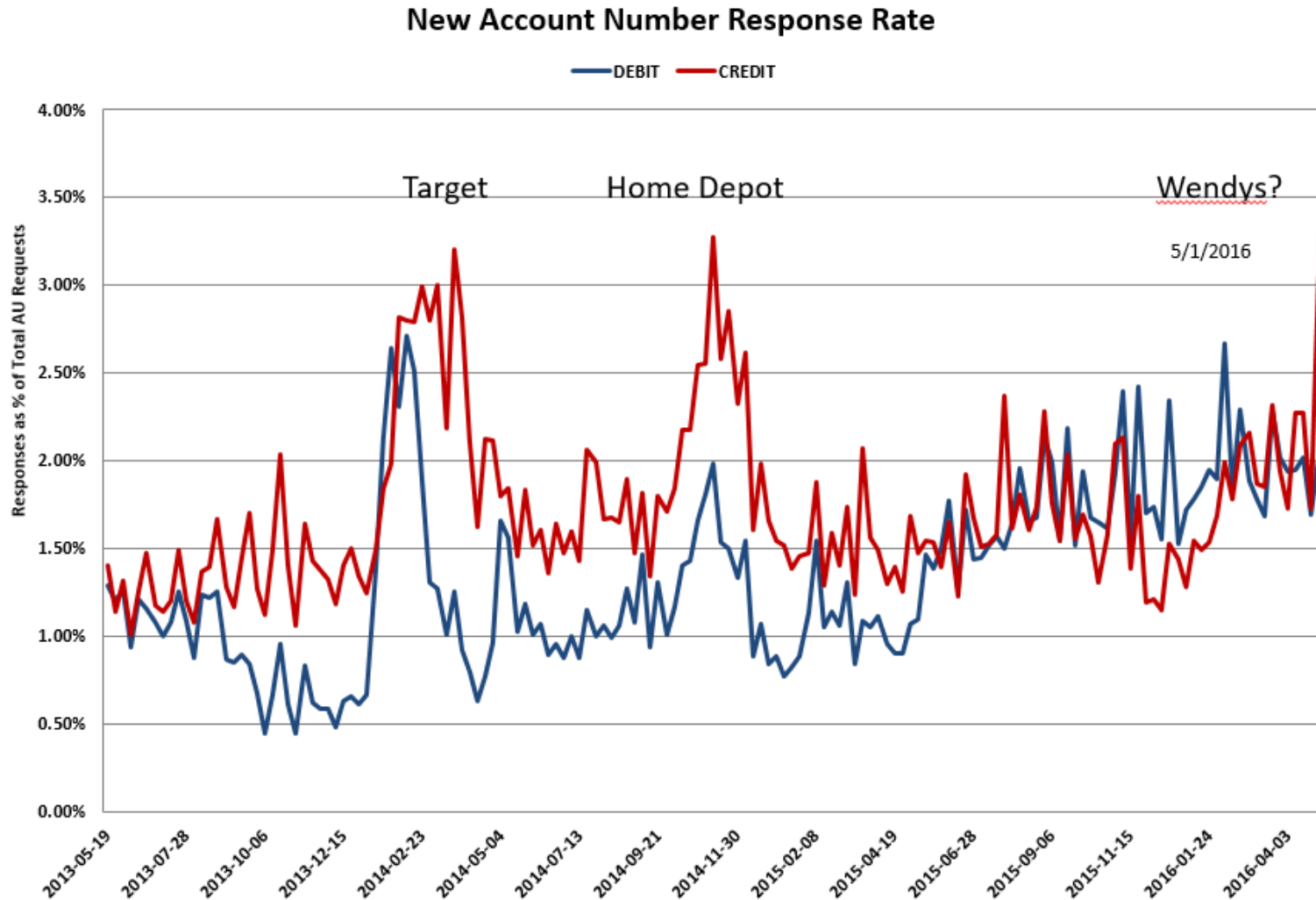
■ Reasons for Failure

- Lost/Stolen
- Card Type
- Portfolio Swap (USAA, Fidelity, JetBlue, CostCo)
- Security Breach
- EMV
- Expiry Date Manipulation

■ What A Typical Nonprofit Is Doing Today To Recapture

- Some account updating
- Maybe a re-attempt or two – this can be limited by the CRM
- Email/DM/TM Attempts

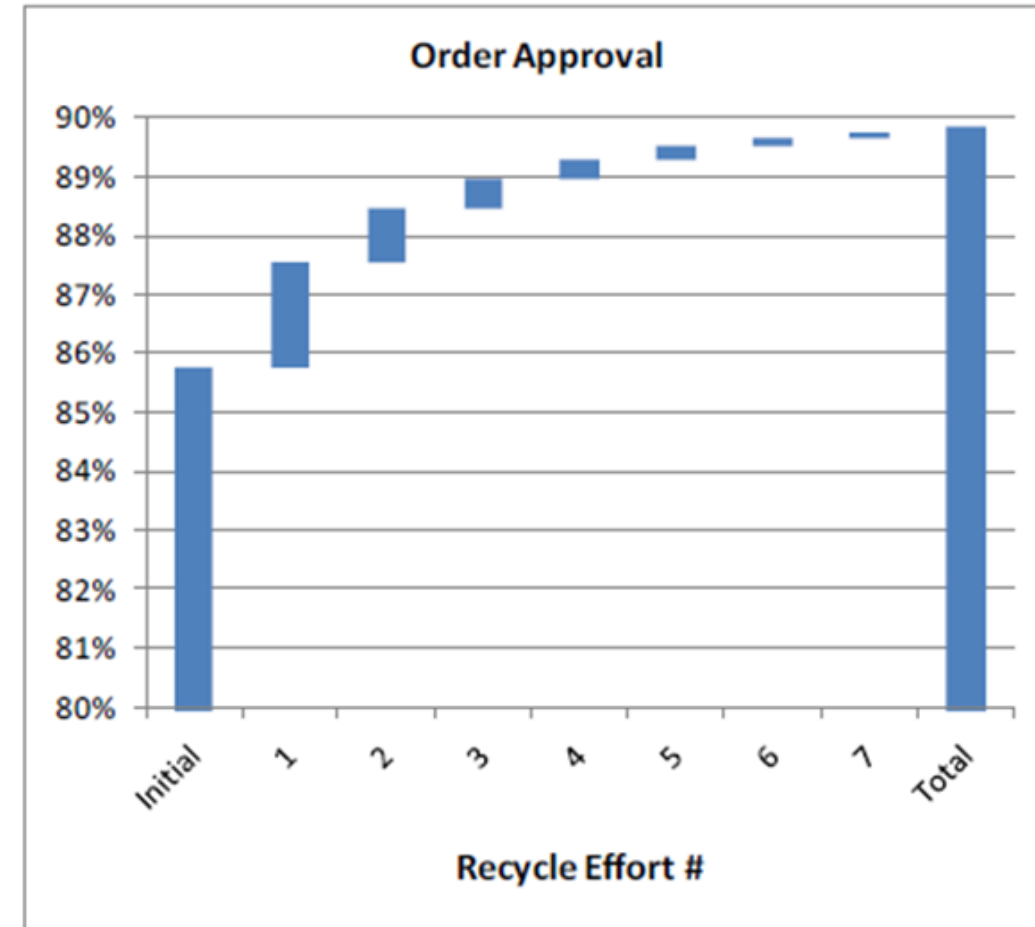
EMV debit nearly done, breaches continue!



Revenue Recovery

How To Make It Happen

- Intelligent Recycling
 - Modeling and predictive analytics per card type determines optimal reattempt schedule
 - Shifts the burden of retry attempts from nonprofit to processor/gateway
 - Minimal IT investment to adopt solution
- 8xs is the max # of xs to recycle if predictive analytics are unavailable



Issuing Banks and Account Updater

It's getting better.

70% ← Current Issuer Participation Rate

By **April 2016**, all issuers ***must*** participate in Visa and Mastercard Account Updater programs.



Revenue Recovery

Revenue Recovery: How Can I Make That Happen??

- Intelligent Recycling
 - Modeling and predictive analytics per card type determines optimal reattempt schedule
 - Shifts the burden of retry attempts from nonprofit to processor/gateway
 - Minimal IT investment to adopt solution
- 8xs is the max if predictive analytics are unavailable
- The future of credit card decision making
 - Use card type in your models
 - Real-time decision making based on Card Insights

Recovered \$ as Percentage (%) of Total Revenue

3.2%

CONSUMER MONITORING
ONLINE SERVICES

4.0%

SPECIALTY/NON-APPAREL
INTERNET&MULTI-CHANNEL RETAIL

2.9%

ONLINE MEMBER CLUBS
BEVERAGES - MEMBERSHIP

4.2%

SOCIAL NETWORKING
DATING - ONLINE SERVICES

6.0%

SOCIAL NETWORKING
COMMUNITY - ONLINE SERVICES

7.0%

Nonprofit

Three Questions to Ask Yourself

- » Why does my money take so long to get to me?
- » Who owns your recurring donors' credit cards?
- » If you leave can you get your donors' credit card information?

Maximizing Your Sustainer Revenue through Better Back End Processing

Lauren Levine

Direct Marketing Manager

Oxfam America

lauren.levine@oxfam.org

Sue Mulvany

Director of Business Development

Vantiv

susan.mulvany@vantiv.com

Jason Robbins

VP Sales and Marketing

ROI Solutions

jrobbins@roisolutions.com

